

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE**

In the Matter of the Application of:

CHRISTINE KARAMIAN,

Respondent.

DECISION AND ORDER ADOPTING
PROPOSED DECISION

File No. LBB 3803-AP

OAH No. L2008020018

This matter was heard by Administrative Law Judge Erlinda G. Shrenger of the Office of Administrative Hearings, in Los Angeles, California, on March 27, 2008. Thereafter, the Administrative Law Judge submitted the attached Proposed Decision, dated April 24, 2008, to the Commissioner. The Proposed Decision was received by the Commissioner on April 29, 2008.

The Proposed Decision is hereby adopted by the Insurance Commissioner as his Decision in the above-entitled matter and is ordered officially filed.

In accordance with Government Code section 11521, the following notice is provided to you concerning reconsideration of this Decision. You may file a petition for the reconsideration of this Decision. However, the Commissioner's power to order reconsideration expires on the date set by the Commissioner as the effective date of the decision.

Petitions for reconsideration should be directed to:

Patricia K. Staggs
Deputy General Counsel
California Department of Insurance
45 Fremont Street
San Francisco, CA 94105

The Department of Insurance may, but is not required to grant a stay not to exceed 30 days for the purpose of filing a petition for reconsideration. Any request for a stay must be filed prior to the effective date of the decision.

If additional time is needed to evaluate a timely petition for reconsideration, the Department may grant a stay of the expiration, for no more than 10 days and solely for the purpose of considering the petition.

If no action is taken on a petition within the time allowed for ordering reconsideration, the petition shall be deemed denied.

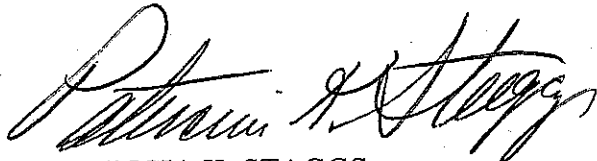
Please review the provisions of this Order to determine the time frame that is specifically applicable to you.

The Decision shall be effective thirty days from the date of this Order.

IT IS SO ORDERED this 23rd day of June, 2008.

STEVE POIZNER
Insurance Commissioner

By



PATRICIA K. STAGGS
Deputy General Counsel

**BEFORE THE
DEPARTMENT OF INSURANCE
STATE OF CALIFORNIA**

In the Matter of the Application of:

CHRISTINE KARAMIAN,

Respondent.

Case No. LBB 3803-AP (AR)

OAH No. 2008020018

PROPOSED DECISION

This matter was heard on March 27, 2008, by Erlinda G. Shrenger, Administrative Law Judge with the Office of Administrative Hearings, in Los Angeles, California. Complainant was represented by Larissa D. Kosits, Senior Staff Counsel. Christine Karamian (Respondent) appeared and represented herself.

Oral and documentary evidence was received and argument was heard. The matter was submitted for decision on March 27, 2008.

FACTUAL FINDINGS

1. Steve Poizner, the Insurance Commissioner of the Department of Insurance (Department), State of California, brought the Statement of Issues in his official capacity.

2. On September 13, 2005, Respondent filed an application with the Insurance Commissioner for a license to act as a resident life agent in the State of California. No license was issued pursuant to that application.

3. (A) On August 7, 2001, in case no. 01F03367B, in the Justice Court, Las Vegas Township, State of Nevada, Respondent was convicted upon her plea of guilty to one count of petit larceny, a misdemeanor.

(B) Respondent was ordered to "stay out of trouble" for six months and pay fines and fees in the total amount of \$350. She was also sentenced to 30 days in jail, but imposition of the jail sentence was suspended.

(C) The facts and circumstances underlying Respondent's conviction occurred on January 16, 2001, at Dillards department store in Las Vegas, Nevada. Respondent shoplifted women's clothing by putting various items in brown bags and then exiting the store without paying for the merchandise. The store's loss prevention officers, who had

observed Respondent's conduct, contacted her outside of the store and the police were called to the scene. The value of the merchandise recovered from Respondent was \$289.63.

4. (A) Respondent answered "No" in response to Question No. 1 of the Background Information portion of her application, which reads:

Have you ever been convicted of, or are you currently charged with, committing a crime, whether or not adjudication was withheld?

"Crime" includes a misdemeanor, felony or a military offense. You may exclude misdemeanor traffic citations and juvenile offenses. "Convicted" includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, having had any charge dismissed or plea withdrawn pursuant to Penal Code Section 1203.4, or having been given probation, a suspended sentence or a fine.

(B) Respondent's answer to Question No. 1 was false, and known to Respondent to be false, in that she had been convicted of the offense described in Factual Finding 3, above, when she submitted her application.

5. (A) Respondent's application is dated September 13, 2005. In a letter to the Department dated December 11, 2006, Respondent explained that she answered "No" to Question No. 1 because she was unaware that she had been charged with a crime and "[i]t was only recently that [she] discovered [she] had been charged with any sort of crime." Respondent's letter also stated that she did not understand the criminal court proceedings or the "language spoken in the courtroom."

(B) However, at the administrative hearing, Respondent asserted that the general manager of Titus Insurance, where she was working at the time of her application, filled out the application for her. Respondent admits she never reviewed the answers given in the application before it was submitted. Respondent was unable to explain why Question No. 1 was marked "No." She was also unable to explain why Titus Insurance was not listed as her employer in Item No. 28 of the application, which requires applicants to list "all employment experiences starting with your current employer working back five years." Respondent's answer to Item No. 28 showed Payless Shoes in Long Beach, California as her only employer. In the Applicant's Certification portion of the application, Respondent certified that she knew and read the answers stated in her application, and that the answers were "full, true and correct."

(C) Respondent's testimony and explanations regarding her "No" answer to Question No. 1 were inconsistent and unconvincing and, therefore, not credible. Respondent's contention that she was unaware of her 2001 conviction at the time she submitted her application in September 2005 is not persuasive. The court records indicate she was represented by counsel during the criminal case, which was pending from March 2001 to December 2001. Respondent was present in court for proceedings in July, August,

and December 2001. Moreover, the \$350 of criminal fines and fees that were imposed as a result of Respondent's conviction were paid, in full, as of December 5, 2001.

6. Respondent is 30 years old, and has a three year old son. Respondent has a high school diploma, and attended two years of college in Armenia before moving to the United States in 1997.

7. Respondent currently works for two employers in Bakersfield, California. She is a salesperson for Nissan of Bakersfield, a car dealership, and has been in this position since August 2007. Respondent also works as a loan consultant for Evergreen Home Loans as an "independent employee." She has worked for Evergreen Home Loans for one and one-half years. As a loan consultant, Respondent originates loans for home purchases and refinance transactions. She handles personal and confidential information, and works with banks and title companies.

8. Respondent testified that, since her conviction, she has changed and is a better person. However, Respondent did not present testimony or letters from her employers, colleagues or friends to support her claim of rehabilitation.

LEGAL CONCLUSIONS

1. Pursuant to California Code of Regulations, title 10, section 2183.2, subdivisions (b)(1) and (b)(3), Respondent's criminal conviction for petit larceny is substantially related to the qualifications, functions, and duties of an insurance licensee because it involved dishonesty and theft.

2. By reason of the matters set forth in Factual Findings 3-5, it was established that it would be against the public interest to permit Respondent to transact insurance in the State of California, which constitutes grounds to deny her application for a resident life agent license, pursuant to Insurance Code section 1668, subdivision (b).

3. By reason of the matters set forth in Factual Findings 3-5, it was established that Respondent is lacking in integrity, which constitutes grounds to deny her application for a resident life agent license, pursuant to Insurance Code section 1668, subdivision (e).

4. By reason of the matters set forth in Factual Findings 3-5, it was established that Respondent previously engaged in a fraudulent practice or act, which constitutes grounds to deny her application for a resident life agent license, pursuant to Insurance Code section 1668, subdivision (i).

5. By reason of the matters set forth in Factual Finding 3, it was established that Respondent has been convicted of a public offense which has as one of its necessary elements a fraudulent act or an act of dishonesty in acceptance, custody, or payment of money or property, which constitutes grounds to deny her application for a resident life agent license, pursuant to Insurance Code section 1668, subdivision (m)(3).

6. By reason of the matters in Factual Findings 3-5, it was established that Respondent knowingly or willfully made a misstatement in her application to the Insurance Commissioner for a resident life agent license, which constitutes grounds to deny her application pursuant to Insurance Code section 1668, subdivision (h).

7. The public interest in regulating insurance through licensing statutes is to make certain that the privileges granted under an insurance license are not exercised in contravention of the public interest, to ensure that the regulated activity remains upright and honest, and to require and maintain professional standards of conduct on the part of licensees. As stated by the court in *Ready v. Grady* (1966) 243 Cal.App.2d 113, "the relevant provisions of the Insurance Code were not designed to punish the errant licensee but to insure that the privileges granted under the license were not exercised in derogation of the public interest, and to keep the regulated activity clean and wholesome."


8. As stated in the Applicant's Certification portion of the application, Respondent was obligated to ensure that the answers given in her application were "full, true and correct." Respondent was not relieved of this obligation merely because another person filled out the application for her. If anything, Respondent should have been more diligent in reviewing her application before it was submitted, since another person had filled it out for her. Respondent's contradictory explanations for her "No" answer to Question No. 1, and the incomplete work history given in the application, indicate she does not appreciate the need to deal honestly and truthfully with the Department in licensing related matters.

9. A life agent is expected to behave with honesty and integrity towards the public and her clients, and towards the Department, especially in matters pertaining to licensure. Taken as a whole, the nature of Respondent's conviction and the misstatements contained in her license application reflect negatively on her character for honesty and integrity. In order to satisfy her burden of proof, it was incumbent upon Respondent to submit sufficient substantiating evidence of rehabilitation. Respondent presented no evidence of rehabilitation. Consequently, it was not established that it would be consistent with the public interest and welfare to grant Respondent's application for a resident life agent license at this time.

ORDER

The application of Respondent Christine Karamian for a license to act as a resident life agent is denied.

DATED: April 24, 2008


ERLINDA G. SHRENGER
Administrative Law Judge
Office of Administrative Hearings

STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
SACRAMENTO

In the Matter of the Application)	STATEMENT OF ISSUES
)	
CHRISTINE KARAMIAN)	File No. LBB 3803-AP (AR)
)	
Respondent)	
_____)	

The Insurance Commissioner of the State of California in his official capacity alleges that:

I

On September 13, 2005, Respondent, CHRISTINE KARAMIAN, filed an application with the Insurance Commissioner for a license to act as a resident life agent in the State of California. Said application is now pending, and no license has been issued pursuant to that application.

II

On August 7, 2001, in Case No. 01F03367B, in the Justice Court, Las Vegas Township, State of Nevada, Respondent was convicted upon a plea of guilty of petit larceny, a misdemeanor.

III

On September 13, 2005, Respondent filed the application for the resident life agent license referred to above in Paragraph I. Question No. 1 on Respondent's Life agent application reads:

"Have you ever been convicted (please read definition of crime below before answering) of, or are you currently charged with, committing a crime, whether or not adjudication was withheld? 'Crime' includes a misdemeanor, felony or a military offense. You may exclude juvenile offenses. 'Convicted' includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, having had any charge dismissed or plea withdrawn pursuant to Penal Code Section 1203.4, or having been given probation, a suspended sentence or a fine."

Respondent answered "No" to said question. Such answer was false and known to Respondent to be false in that Respondent had been convicted of the offense alleged above in Paragraph II.

IV

The facts alleged above in Paragraphs II and III show that it would be against the public interest to permit Respondent to transact insurance in the State of California and constitute grounds for said Insurance Commissioner to deny the pending application of Respondent pursuant to the provisions of Section 1668(b) of the California Insurance Code.

V

The facts alleged above in Paragraphs II and III show that Respondent is lacking in integrity and constitute grounds for said Insurance Commissioner to deny the pending application of Respondent pursuant to the provisions of Section 1668(e) of the California Insurance Code.

VI

The facts alleged above in Paragraphs II and III show that Respondent has previously engaged in a fraudulent practice or act and constitute grounds for said Insurance Commissioner to deny the pending application of Respondent pursuant to the provisions of Section 1668(i) of the California Insurance Code.

VII

The facts alleged above in Paragraphs II and III show that Respondent has been convicted of a public offense having as one of its necessary elements a fraudulent act or an act of dishonesty in acceptance, custody or payment of money or property and constitute grounds for said Insurance Commissioner to deny the pending application of Respondent pursuant to the provisions of Section 1668(m)(3) of the California Insurance Code.

VIII

The facts alleged above in Paragraphs II and III show that Respondent has knowingly or willfully made a misstatement in an application to the Insurance Commissioner and constitute grounds for the Insurance Commissioner to deny the pending application of Respondent pursuant to the provisions of Section 1668(h) of the California Insurance Code.

WHEREFORE, Respondent is hereby notified that she must present evidence satisfactory to the Insurance Commissioner that she is qualified for the license for which she has applied as provided for in Section 1666 of the California Insurance Code, and further must show that none of the matters set forth in Section 1668 of said Insurance Code apply as to Respondent.

DATED: *March 16, 2007*

STEVE POIZNER
Insurance Commissioner

BY:

Shannon Carrion

SHANNON CARRION
Sr. Investigative Analyst
(916) 492-3650